

## MEMORANDUM

#04-24

TO: All Department & School Fiscal Officers  
FROM: Trisha L. Neely, Director  
DATE: May 28, 2004  
SUBJECT: **FY 2005 FRINGE BENEFITS COSTS**

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Charges for fringe benefits for **Fiscal Year 2005** are as follows (if there are any changes you will be promptly notified):

### **F.I.C.A. - EMPLOYER'S SHARE**

The **Maximum Old Age Survivors Disability Insurance (O.A.S.D.I.)** withholding effective for the period July 1, 2004, through December 31, 2004, is based on earnings of \$87,000 at a rate of 6.2%. The earnings maximum for Medicare withholding effective for the period July 1, 2004, through December 31, 2004, is unlimited at a rate of 1.45%. Effective **January 1, 2005**, the employer rate is expected to remain 6.2% for O.A.S.D.I. and 1.45% for Medicare. The O.A.S.D.I. maximum earnings is **estimated** to be \$89,500 and the Medicare maximum earnings will be unlimited.

### **PENSION**

The pension cost calculation rate for **FY 2005** is currently expected to be 13.25%.

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### **HEALTH INSURANCE**

Effective July 1, 2004, the State's contribution for eligible employees is attached. An eligible employee is one with three (3) months or more continuous full-time service.

### **WORKER'S COMPENSATION**

The rate effective July 1, 2004, is 1.23% of payroll.

### **DEFERRED COMPENSATION MATCH**

The rate effective July 1, 2004, is .13% of payroll.

### **UNEMPLOYMENT INSURANCE**

The rate effective July 1, 2004, is 0.12% of payroll.

**NOTE:** All employer fringe benefits above will automatically be charged to budgetary accounts.

All payroll recodings (Object codes 1001-1199) are to be done on an EX form. For schools, all General Fund payroll appropriations 0101 through 0136, and 0138 will have employer fringe benefits charged to appropriation 0139. For all non-school agencies, salaries will be charged to appropriation 0137 and will have fringes charged to 0137. Therefore, **unless** payroll recodings are between schools' General Fund appropriations 0101 and 0136, and 0138, the EX form must also show recoding of all applicable fringe benefits between the payroll accounts being recoded.

TLN/ed

Attachment

**New Rates Effective  
July 1, 2004**

**Total  
Monthly Rate**

**State  
Pays**

**Employee  
Pays Monthly**

**Blue Cross Blue Shield of Delaware**

**Basic Plan:**

Employee	\$368.86	\$368.86	\$0
Employee & Child(ren)	\$556.38	\$556.38	\$0
Employee & Spouse	\$757.22	\$757.22	\$0
Family	\$946.50	\$946.50	\$0

**First State Health Plan:**

Employee	\$373.12	\$368.86	\$4.26
Employee & Child(ren)	\$566.82	\$556.38	\$10.44
Employee & Spouse	\$771.46	\$757.22	\$14.24
Family	\$964.30	\$946.50	\$17.80

**Comprehensive PPO Plan:**

Employee	\$414.72	\$368.86	\$45.86
Employee & Child(ren)	\$633.86	\$556.38	\$77.48
Employee & Spouse	\$854.32	\$757.22	\$97.10
Family	\$1,067.96	\$946.50	\$121.46

**Blue Care<sup>®</sup>**

Employee	\$383.60	\$368.86	\$14.74
Employee & Child(ren)	\$582.18	\$556.38	\$25.80
Employee & Spouse	\$802.88	\$757.22	\$45.66
Family	\$1,001.88	\$946.50	\$55.38

**Coventry Health Care of Delaware, Inc.**

Employee	\$388.88	\$368.86	\$20.02
Employee & Child(ren)	\$592.52	\$556.38	\$36.14
Employee & Spouse	\$802.28	\$757.22	\$45.06
Family	\$1,000.08	\$946.50	\$53.58